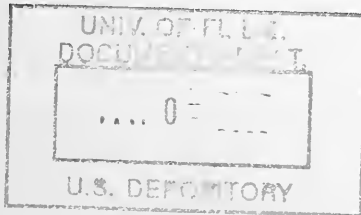


**NATIONAL RECOVERY ADMINISTRATION**

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**AMENDMENT TO  
CODE OF FAIR COMPETITION  
FOR THE  
PRECIOUS JEWELRY  
PRODUCING INDUSTRY**

**AS APPROVED ON MARCH 7, 1935**



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AMENDMENT TO CODE OF FAIR COMPETITION

FOR THE

PRECIOUS JEWELRY PRODUCING INDUSTRY

As Approved on March 7, 1935

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ORDER

APPROVING AMENDMENT OF CODE OF FAIR COMPETITION FOR THE  
PRECIOUS JEWELRY PRODUCING INDUSTRY

An application having been duly made pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for the Precious Jewelry Producing Industry, said amendment being to eliminate Subsection (c) of Section 1 of Schedule A of said Code, and hearings having been duly held thereon and the annexed report on said amendment, containing findings with respect thereto, having been made and directed to the President:

NOW, THEREFORE, on behalf of the President of the United States, the National Industrial Recovery Board, pursuant to authority vested in said Board by Executive Orders of the President, including Executive Order No. 6859, dated September 27, 1934, and otherwise; does hereby incorporate, by reference, said annexed report and does find that said amendment and the Code as constituted after being amended comply in all respects with the pertinent provisions and will promote the policy and purposes of said Title of said Act, and does hereby order that said amendment be and it is hereby approved, and that the previous approval of said Code is hereby modified to include an approval of said Code in its entirety as amended.

NATIONAL INDUSTRIAL RECOVERY BOARD,  
By W. A. HARRIMAN, *Administrative Officer*.

Approval recommended:

JOHN W. UPP,  
*Acting Division Administrator.*

WASHINGTON, D. C.,  
March 7, 1935.

## REPORT TO THE PRESIDENT

The PRESIDENT,  
*The White House.*

SIR: A Public Hearing on the amendment to the Code of Fair Competition for the Precious Jewelry Producing Industry, submitted by the Schoenthaler-Green-Ellbogen-Wood Committee, representing 57 manufacturers of fraternity jewelry out of a possible 100 concerns manufacturing fraternity jewelry, was conducted in Washington on April 26, 1934, in accordance with the provisions of the National Industrial Recovery Act.

The above concerns filed a petition with the Administration stating that sub-section (c) of Section 1 of Schedule A of the Code of Fair Competition for the Precious Jewelry Producing Industry was discriminatory in its effect upon the majority of concerns producing fraternity jewelry. Evidence was presented by all interested parties including representatives of many fraternities.

It has been stated that the elimination of this clause would put the Administration on record as not sanctioning the contracts already existing, as the clause in its present form appears to offer even more protection than the contracts themselves. The validity or invalidity of these contracts is not the point at issue.

The following facts have been developed:

(1) Five hundred and thirty four (534) contracts, which represent 85 percent of the outstanding number of contracts, are held by one member of the Industry.

(2) These contracts are executed by one concern and its subsidiaries.

(3) This one firm is one of the very few firms interested in the retention of this clause in the Code. Other interested parties are the fraternities, representing the consumer interests in this matter, who see a way other than through ordinary legal proceedings of protecting the sale of their insignia.

(4) The actual operation of this clause tends to extend monopoly rights beyond the period granted the owner of an original design by patent law and to extend to fraternities who hold contracts, privileges which they cannot secure under present Patent Laws.

(5) The absence of this clause in the Code does not abrogate outstanding contracts, nor permit interference with them.

(6) There is no objection to the fraternities making contracts with a single manufacturer. There is, however, no logical reason for giving the Code Authority the task of enforcing such contracts by requiring that they report a member of the industry for violation of the Code for manufacturing insignia, which, were it not for this provision in the Code, he would have a legal right to do.

(7) Our conclusion in this matter is that the injury possible to a large number of members of the industry far outweighs the good done for the fraternities by retaining this paragraph in the Code.

The Deputy Administrator in his final report on said amendment to said Code having found as herein set forth and on the basis of all the proceedings in this matter:

It is found that:

(a) The amendment of said Code and the Code as amended are well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act including the removal of obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof, and will provide for the general welfare by promoting the organization of industry for the purpose of cooperative action of labor and management under adequate governmental sanction and supervision, by eliminating unfair competitive practices, by promoting the fullest possible utilization of the present productive capacity of the industries, by avoiding undue restrictions of production (except as may be temporarily required), by increasing the consumption of industrial and agricultural products through increasing purchasing power, by reducing and relieving unemployment, by improving standards of labor, and by otherwise rehabilitating industry.

(b) The Code as amended complies in all respects with the pertinent provisions of said Title of said Act, including without limitation subsection (a) of Section 3, subsection (a) of Section 7 and subsection (b) of Section 10 thereof.

(c) The group was and is an industrial group truly representative of the manufacturers operating under Schedule A of the Code for the Industry and that said group imposed and imposes no inequitable restrictions on admission to membership therein and has applied for this amendment.

(d) The amendment and the Code as amended are not designed to and will not eliminate or oppress small enterprises and will not operate to discriminate against them.

(e) Those engaged in other steps of the economic process have not been deprived of the right to be heard prior to the approval of said amendments and modifications.

For these reasons the amendment has been approved.

For the National Industrial Recovery Board:

W. A. HARRIMAN,  
*Administrative Officer.*

MARCH 7, 1935.

# AMENDMENT TO CODE OF FAIR COMPETITION FOR THE PRECIOUS JEWELRY PRODUCING INDUSTRY

## AMENDMENT

Delete the following subsection (c), Section 1, Schedule A:

“(c) Where a fraternity controls the manufacture and distribution of its insignia under contract, it is an unfair trade practice for unauthorized persons to manufacture, solicit, or accept orders for such insignia.”

Approved Code No. 130—Amendment No. 2.  
Registry No. 1215-06.

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